



STATE OF CONNECTICUT
DEPARTMENT OF REVENUE SERVICES

25 Sigourney Street
Hartford CT 06106-5032

SN 2001(2)

SPECIAL NOTICE

Miscellaneous Personal Services

Purpose: This Special Notice describes and explains miscellaneous personal services enumerated in Conn. Gen. Stat. §12-407(2)(i)(CC). Conn. Gen. Stat. §12-407(2)(i)(CC) was amended in the 2000 session of the Connecticut General Assembly to include references to U.S. industries 532220, 812191, 812199, and 812990 in the *North American Industry Classification System (NAICS) United States, 1997* manual to an existing reference to industry group 729 in the *Standard Industrial Classification (SIC) Manual 1987*.

Effective Date: Added references to U.S. industries 532220, 812191, 812199, and 812990 in the NAICS manual, effective October 1, 2000.

Statutory Authority: Conn. Gen. Stat. §12-407(2)(i)(CC), as amended by 2000 Conn. Pub. Acts 174, §1, and 2001 Conn. Pub. Acts 109, §2.

Personal Services Subject to Sales and Use Taxes:

The following services listed in industry group 729 in the SIC manual or U.S. industries 532220, 812191, 812199, or 812990 in the NAICS manual are taxable when provided at a Connecticut location. (Where a service is described by its business location, such as a tanning salon, the specific service (such as tanning) is taxable, as are any other taxable services provided at such business location.)

- Babysitting bureaus, excluding day care
- Bartering services for individuals
- Birth certificate agencies
- Blood pressure testing, coin operated
- Buyers' clubs
- Car title and tag services
- Checkroom concessions or services
- Coin-operated service machine operation: scales, shoeshine, lockers, and blood pressure
- College clearinghouses*
- Comfort station operations
- Consumer buying services
- Dating services

- Debt counseling to individuals
 - Depilatory salons,* hair removal or hairwaxing (Services rendered by an electrologist licensed according to chapter 388 are not taxable. Prior to October 1, 2001, electrologists were known as hypertrichologists.)
 - Diet workshops*
 - Escort services
 - Genealogical investigation services
 - Hairweaving or replacement services
 - Locker rental, except cold storage
 - Marriage bureaus
 - Massage parlors (Services rendered by a massage therapist licensed according to chapter 384a are not taxable.)
 - Porter services
 - Quilting for individuals
 - Rest room operations
 - Scalp treatment services
 - Shopping services for individuals*
 - Steam baths
 - Tanning salons
 - Tattoo parlors
 - Turkish baths
 - Wedding chapels, privately operated
- *See definitions on Page 2.

Other Taxable Services: When the services listed above are sold in conjunction with other services that are not taxable, the charge for the nontaxable service must be separately stated from the other charges and the appropriate amount of tax must be charged on the taxable service. Otherwise, the entire charge will be taxable.

Example: In addition to tanning services, a tanning salon also offers manicure services to its customers. As such, the salon must separately state its charges for manicure services, which are nontaxable, from its charges for tanning services, and collect 6% tax on the tanning services.

Certain services listed in industry group 729 in the SIC manual or U.S. industries 532220, 812191, 812199, or

812990 in the NAICS manual continue to be taxable in the following manner:

- Rentals of clothing, tuxedos, and wardrobes. The tax applies to these items when the rental charge is \$75 or more for each item of clothing. See **Special Notice 2000(3.1)**, *2000 Legislation Affecting Sales and Use Taxes and Admissions and Dues Tax*.
- Computer photographs or portraits remain taxable as the sale of tangible personal property.
- Valet parking remains taxable as a motor vehicle parking service.

Services Not Subject to Sales and Use Taxes:

The following services are included in SIC or NAICS categories other than those specified in Conn. Gen. Stat. §12-407(2)(i)(CC) and are not taxable under this provision:

- The services of a babysitter or day care provider (however, babysitting placement or referral services are taxable).
- Bartering services for businesses.
- Most services provided by beauty shops and barbershops, including, but not limited to, haircutting, shampooing, hair coloring, perming, and manicures (however, if such shops provide services specifically listed, such as scalp treatment services, they must charge tax on those services).
- Day care centers.
- Dietitians involved in health services other than diet workshops.
- Physical therapists or their employees.

Definitions:

- College clearinghouses are services to which colleges subscribe for the names of prospective students.
- Depilatory salons are engaged in removing hair from the body.
- Diet workshops are commercial weight-loss services.
- Shopping services for individuals:

Note: The reimbursement charge for the cost of the items purchased is not part of the taxable gross receipts for the shopping service. As long as the shopping service provider pays the Connecticut sales and use tax on any taxable items purchased, the

separately stated dollar-for-dollar reimbursement charge for the cost of the items will not be considered part of the gross receipts. Any amount above the separately stated dollar-for-dollar reimbursement will be considered part of the taxable gross receipts for the shopping service. If the shopping service fee and the dollar-for-dollar reimbursement charge are not separately stated on the invoice presented to the service recipient, the entire amount is taxable.

Effect on Other Documents: **Special Notice 2001(2)** modifies and supersedes **Special Notice 91(4)**, *Miscellaneous Personal Services*, which may no longer be relied upon on or after the date of issuance of this publication.

Effect of This Document: A Special Notice is a document that announces a new policy or practice in response to changes in State or federal laws or regulations or to judicial decisions. A Special Notice indicates an informal interpretation of Connecticut tax law by DRS and may be referred to for general guidance by taxpayers or tax practitioners.

For Further Information: Please call DRS during business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday:

- **1-800-382-9463** (toll-free within Connecticut), or
- **860-297-5962** (from anywhere)

TTY, TDD, and Text Telephone users only may transmit inquiries 24 hours a day by calling 860-297-4911.

Forms and Publications: Forms and publications are available all day, seven days a week:

- **Internet:** Preview and download forms and publications from the DRS Web site: www.drs.state.ct.us
- **DRS TAX-FAX:** Call **860-297-5698** from the handset attached to your fax machine and select from the menu.
- **Telephone:** Call **860-297-4753** (from anywhere), or **1-800-382-9463** (toll-free within Connecticut) and select **Option 2** from a touch-tone phone.